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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

MM Acket 92-266

IN REPLY REFER TO:

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Honorable Don Nickles
United States Senate
713 Hart Senate Office Building
Washington, DC 20510

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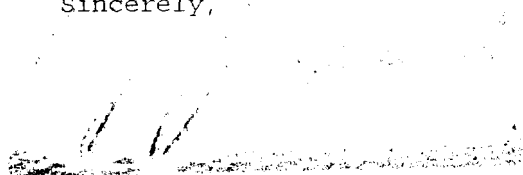
Dear Senator Nickles:

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Thank you for your letter on behalf of Edward E. Drake and Robert E. Price of Halcyon Communications, Inc., Tulsa, Oklahoma. Your constituents are concerned about the effect of the new rate regulations on small cable operators.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure). Your constituents' comments will be placed in the record of our Further Notice of Proposed Rule Making addressing the burdens on small systems.

Sincerely,



Roy J. Stewart
Chief, Mass Media Bureau

Enclosure

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DON NICKLES
OKLAHOMA

United States Senate
WASHINGTON, DC 20510-3602

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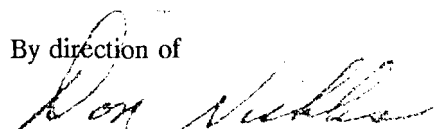
July 20, 1993

Respectfully referred to

Federal Communications Commission

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of enclosure.

By direction of


DON NICKLES
U.S. Senator

Please reply to Michelle Purser of my staff.

HALCYON COMMUNICATIONS, INC.

June 21, 1993

Senator Don Nickles
713 Hart SOB
Washington, D. C. 20510-3602

Dear Senator Nickles:

Once again, an extraneous event points out the blatant discrimination in the Cable Act '92.

Attached article indicates the irresponsible, unwarranted price gouging at the retail gas pump. No rationale, no cost increase reason given, but rather "let's sock the consumer while we can."

By contrast, many cable operators have been responsible in rate increases, but now are unable to reflect increased operating costs in a justified rate increase. The telcos can pass on such costs to users without any justification.

According to FCC over-reaching in rule making, cable systems either conform to an arbitrary benchmark rate, or are then subject to a cost of service showing. The FCC has not published standards for cost of service, and admits there will be changes in their thinking as the process evolves. How can a business operate, obtain financing, plan for new services and technology under such constraints?

~~At a minimum, small cable systems must be exempted,~~ and the industry must be permitted a continued opportunity to develop, not stagnate.

Sincerely,



Edward E. Drake
Chairman



Robert E. Price
President

cc: Rob Marshall

quarter because of winter weather, starts plunging to a 1.12 million rate by the end of March.

"I had argued that housing activity merely had been postponed from the first quarter," Seiders said. "We're getting some of that back, but it's running below the pace we anticipated."

Because of the smaller-than-expected

improvements in the economy, consumers remain hesitant in part because of uncertainty over proposed tax hikes awaiting congressional action.

The Commerce Department said applications for building permits, a barometer of future activity, increased just 1.2 percent in May, down from a 6.5 percent advance a month earlier.

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May '92				Apr. '93				May '93			
1.32				1.22				1.24			

Source: U.S. Dept. of Commerce



World staff photos by John David Heckel

dicating Facility

er 1932.

"We were working out of 11 buildings before, and the move alone unites most of our employees under one roof."

Along with the new facility, OFC has invested more than \$8 million in the latest high-tech equipment that enables the company to do custom mill work for customers worldwide.

OFC employs 623 in the two Tulsa facilities and another 48 at its OFC Glass Division at the Tulsa Port of Catoosa.

Also, OFC is parent to Woodwork of Mid-America, a 110,000-square-foot plant in Bowling Green, Ky.

The Kentucky operation has 227 employees.

Marketers Play Gasoline Price Guessing Game

By Mike Kimbrell
World Staff Writer

Gasoline prices went up as much as 18 cents per gallon at many retail outlets in Tulsa on Wednesday.

If it always seems to be a Tuesday or Wednesday when prices go up, it's no coincidence, said Bob Phillips Sr., vice president of the Kenby Oil Co.

Phillips reports the daily wholesale gasoline price to the Tulsa World.

"The reason they do it on Tuesday or Wednesday — once in a while on Monday — is to try to give time for the rest of the market to follow (by) the weekend," he said.

The decision to raise gasoline prices is made by someone in the marketing department of any of several oil companies — Git-n-Go, Texaco, QuikTrip, Phillips Petroleum and Citgo, for example.

"He takes the price up hoping the rest of them will follow," said Phillips.

When a major company makes a price move, often other companies follow. But not always.

"A lot of times, prices will fall back on Saturday because the rest of the market didn't go," he said. "They don't want to go through a weekend at \$1.07 if somebody else is sitting there at 93 cents."

Observers said prices aren't likely to come down quickly, as they have after other price increases in recent weeks.

Part of the reason is that wholesale gasoline futures rose Wednesday to 0.5479 cents per gallon for 42,000 gallons. The

"Marketers are scraping to make a penny. In order to maximize profits, they create a run-up when prices are in the low 90s."

— Mac Beavers
Whitney Leigh Corp.

price service stations must pay before they sell it, however, can be as much as 40 cents higher.

Mac Beavers of Whitney Leigh Corp. said a pattern has been established in the last two years.

"You see retail gas prices go up dramatically, and as soon as they go up, they start dropping."

Whitney Leigh Corp. tracks retail gasoline prices in 50 markets across the United States.

Beavers said Tulsa is unlike any other market.

"Marketers are scraping to make a penny. In order to maximize profits, they create a run-up when prices are in the low 90s."

Phillips agreed.

"Usually, the reason (someone) takes prices up like they did today (Wednesday) is that the market gets so low they're hurting," said Phillips.

He said if a gasoline retailer must pay 90 cents per gallon, then sell gasoline at only 93 cents per gallon, he cannot make enough profit to cover his overhead.

Ray Tuttle contributed to this report.

Oil West Texas Intermediate

\$0.041 Natural Gas New York Merchantile

\$0.70 Gold Comex

0.70 Dollar in Yen